

Convenience Store

General retail operations do not have special licensing at the state level; however, they must comply with local regulations (check with the City Clerk). Retail Stores are required to collect and remit Sales Tax to the Missouri Department of Revenue (*see below*).

The sale of some products will require licensure or complying with regulations. Examples include:

- ◆ Live plants: Missouri Department of Agriculture (573)751-5505 or <http://www.mda.state.mo.us>)
- ◆ Prepared food products (e.g., sandwiches): Missouri Department of Health and Senior Services (573)751-6090 or <http://www.dhss.state.mo.us/Publications/FoodCode99.html>
- ◆ Liquor : Missouri Department of Public Safety (573)751-2333 or <http://www.mdlc.state.mo.us/>
- ◆ Tobacco products: Missouri Department of Revenue (573)751-7163 or <http://www.dor.state.mo.us/tax/business/excise/tobacco/regstart.htm>
- ◆ Lottery Tickets: Missouri Lottery (573)751-4050 or <http://www.molottery.com>
- ◆ Certain sporting goods (e.g., guns, archery equipment, knives): ATF(314)539-2251 or <http://atf.treas.gov/about/snapshot.htm>
- ◆ Fireworks: call Missouri Department of Public Safety at (573)751-2930 or go to <http://www.mdfs.state.mo.us/dfsfrwrk.htm>
- ◆ Pesticides and Fertilizer: Missouri Department of Agriculture at (573)751-5504 or <http://www.mda.state.mo.us/Pest/d7h.htm>
- ◆ Feed and Seed: Missouri Department of Agriculture at (573)751-4310 or <http://www.mda.state.mo.us/>
- ◆ Meat and Poultry: Missouri Department of Agriculture at (573)522-4212 or <http://www.mda.state.mo.us/Animals/b6c.htm>
- ◆ Eggs: Missouri Department of Agriculture at (573)751-2495 or <http://www.mda.state.mo.us/Animals/b4a.htm>
- ◆ Dairy products: Missouri Department of Agriculture at (573)751-5639 or <http://www.mda.state.mo.us/Animals/b4a.htm>
- ◆ Frozen Desserts: Missouri Department of Health at (573) 751-6090 or: http://www.health.state.mo.us/eph_manual/ehogmanual.html
- ◆ Fuels: Missouri Department of Agriculture at (573)751-2922 or <http://www.mda.state.mo.us/FuelQuality/e1a.htm> and (573)751-4278 or <http://www.mda.state.mo.us/PetroInsp/e2.htm>

If your business will be using scanners or scales to weigh items being sold, the Missouri Weights and Measures Division at the Missouri Dept. of Agriculture must inspect and approve your equipment. For more information, contact Missouri Department of Agriculture, Device & Commodity Inspection Program, P.O. Box 630, Jefferson City, MO 65102-0630; Phone: 573-751-5639; <http://www.mda.mo.gov/Consumer/j5.htm>

Legal Structure

Anyone conducting business in the State of Missouri under a name other than their own legal name (e.g., John Doe), must register the business name with the Missouri Secretary of State. Missouri law allows businesses to operate under four forms or organization:

- sole proprietorship
- partnership – general and limited
- corporation -- C-Corp; S-Corp; Professional, Not-for-Profit; Foreign
- limited liability company – LLC

Each structure has its own advantages and disadvantages and there are many modifications and variations within these forms. The key to selection revolves around the concept of liability and taxation. You must decide which of these structures best suits your business. In choosing your business structure, consult with a qualified accountant and/or attorney who are familiar with your resources and objectives.

A description of the forms of organization and some of the advantages and disadvantages are discussed in *Starting A New Business In Missouri*. You can download forms on the web at: <http://www.ded.state.mo.us/business/startabusiness/legalstructures.shtml> or contact the Secretary of State's Office at (573) 751-3200.

Taxes

Understanding the taxes that apply to your business and how to meet the legal requirements of those taxes is critical. Consultation with an accountant or attorney is advisable.

Tax considerations are essential during the formation of a new business and during its entire life. When a business is just starting out, it may have little or no income or assets and the choice of structure may not seriously affect its tax liability. However, as the business grows, the tax implications become more significant.

Choosing a particular structure does not necessarily determine how the business will be taxed. The table found on page 26 of *Starting A New Business in Missouri* identifies the state and federal forms that must be filed for different business structures and compares the tax liabilities for the most common business structures.

Tax responsibility includes federal, state and local taxes. As a business owner you will be responsible for income taxes, payroll taxes, property tax and other miscellaneous taxes.

Any business making retail sales must obtain a Missouri Retail Sales License from the Missouri Department of Revenue. A bond, based on projected monthly gross sales is posted at the time of application. An application form (Form #2643) can be obtained from the Dept. of Revenue on the web at <http://www.dor.state.mo.us/dorforms.htm> or by calling 1-800-877-6881. Generally, a wholesaler or manufacturer will present a Sale/Use Tax Exemption Certificate (Form #149) to the seller showing the sale is exempt from sales tax.

For more information on taxes and access to printable copies of the required forms visit: <http://www.ded.state.mo.us/business/startabusiness/businesstaxes.shtml>

Hiring Employees

Obtain a "Business Tax Kit" and a copy of "Circular E, Employer's Tax Guide" from your local IRS office or call 1-800-829-3676. "Circular E" explains federal tax withholding and Social Security tax requirements for employers as well as containing up-to-date withholding tables for you to use to determine how much federal income tax and Social Security tax is to be withheld from each employee's paycheck.

What Is Involved?

- Once you begin paying salary or wages to employees, you must collect taxes from your employees. The primary taxes are: federal and state income taxes, Social Security (FICA) and Medicare taxes.
- If you have not already done so, you must apply for a federal employer identification number (EIN) -- Form SS-4. This number is used to identify your business on payroll and income tax returns, as well as for other federal tax purposes. Corporations and partnerships must file Form SS-4 even if they have no employees.
- Have each employee complete an I-9 Employment Eligibility Verification Form and a W-4 form.
- Missouri require that all employers in Missouri report each newly hired employee to the Department of Revenue within 20 calendar days of hire.

For more information on your responsibilities as an employer, please contact Missouri Division of Employment Security (573/751-3215) or your local Workforce Development Career Center (formerly Job Service). To locate the nearest office, check the phone book or call 573/751-3999 or http://www.works.state.mo.us/es_offices/index.htm

For a complete discussion on hiring employees, your responsibilities, and access to the required forms, refer to: <http://www.ded.state.mo.us/business/startabusiness/becominganemployer.shtml>

Resources:

In addition to information on the legal requirements, we think that you will find the following information helpful as you begin your business:

You can download copies of **Starting a New Business in Missouri** at: <http://www.ded.state.mo.us/business/pdfs/startuppacket.pdf> and **Doing Business in Missouri** at: <http://www.ded.state.mo.us/business/startabusiness/doingbusinessinmissouri.shtml> two excellent publications on the process of starting and operating a business in Missouri.

Evaluating Your Business Idea www.umsl.edu/~smallbus/Evalbus.pdf

Guide to Writing A Business Plan www.umsl.edu/~smallbus/BusplanG/BusplanG.pdf

The Missouri Business Development Network is a partnership of the key resource providers in Missouri. Their website contains a vast array of helpful documents, links and information on starting and operating your small business. In addition, it contains a calendar of upcoming training and educational events throughout Missouri. www.missouribusiness.net

For information on resource providers and business counselors, refer to: http://www.missouribusiness.net/service_centers.asp

For Information on local (city or county) requirements, contact the City Clerk and/or County Clerk. A list of county clerks is found on the Web at www.sos.state.mo.us/elections/countyclerks.asp

Missouri Lawyer Referral Service

Kansas City: (816) 221-9473 (Clay, Jackson, Platte & Ray counties)

St. Louis City & County: (314) 621-6681

Springfield/Greene County: (417) 831-2783

Rest of Missouri: (573) 636-3635

Web at <http://www.mobar.org/pamphlet/referral.htm>

Missouri Society of Accountants 1-800-959-4276

Web at: <http://www.missouri-accountants.com>